

SENATE BILL 1163
By Fowler

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 7; Title 68 and Title 71, relative to financial
contributions by counties to certain hospitals.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 5, Chapter 1, Part 1, is amended by
adding the following as a new section:

5-1-127.

(a) Every county whose residents receive free or uncompensated care at a safety net hospital in this state shall contribute funds to the safety net hospital in accordance with the provisions of this section.

(b) The amount a county shall contribute to a safety-net hospital shall be determined by multiplying the cost of the free or uncompensated care to that county's residents at the hospital by a fraction in which the numerator is the amount of tax dollars paid to the hospital by the county in which the safety net hospital resides and the denominator is the cost of free or uncompensated care provided to residents of the county in which the safety net hospital resides.

(c) Each county shall make its payment to the safety net hospital required by this section on or before September 1 of each year. The payment shall be calculated on the basis of the amount of taxes paid and the free or uncompensated care rendered in the prior fiscal year.

(d) The commissioner of health is authorized to promulgate rules and regulations to effectuate the purposes of this section. All such rules and regulations shall be

promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

(e) For the purposes of this section:

(1) "Free care" or "uncompensated care" means care for which the hospital receives no reimbursement.

(2) "Safety net hospital" means a hospital that receives special hospital payments as a safety net hospital under the TennCare waiver or under the medical assistance program operated pursuant to title 71, chapter 5, part 1.

SECTION 2. Tennessee Code Annotated, Title 68, Chapter 11, Part 2, is amended by adding the following as a new section:

68-11-259.

(a) Each safety net hospital, as defined in Section 1 of this act, shall report the amount of uncompensated or free care it renders and the amount of revenue it receives from county governments to the department of health. Each safety net hospital shall also report the amount of uncompensated or free care it renders by the county of residence of its patients.

(b) The department shall calculate the amount of the payment that each county owes to each safety net hospital pursuant to Section 1 of this act and inform each county and each hospital of the amount of the payments on or before August 1 of each year.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.